

IMPORTANT NOTICE

THE ENCLOSED CHARGE OF DISCRIMINATION ISSUED BY THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GIVES YOU THE FOLLOWING IMPORTANT RIGHTS AND RESPONSIBILITIES:

I. Election of Civil Action or Administrative Proceeding

If you are either the person charged or any aggrieved person on whose behalf this Charge is brought, you have the right to choose one of two judicial forums in which the issues involved in the Charge will be heard. The two forums are: (1) a United States government administrative proceeding before an independent United States government administrative law judge; and (2) a United States federal district court (district court).

If you want to have your case tried in a United States government administrative proceeding, you need take no action. If you take no action and if no other person decides to go to federal district court, an administrative hearing automatically will be held before an independent United States government administrative law judge.

If you want this matter to proceed to a U.S. federal district court, you must follow the procedure set forth at Section I.C of this Important Notice.¹

If no person elects to have this matter decided in a U.S. federal district court, an administrative hearing shall commence **within 120 days from the date of the Charge of Discrimination**, unless impracticable, in which case the administrative law judge will provide the parties with written notification of the reasons therefore. The hearing shall be conducted at a place in the vicinity in which the discriminatory housing practice is alleged to have occurred or to be about to occur. (42 U.S.C. § 3612(b), (g); 24 C.F.R. § 180.600).

If no person elects to have this matter decided in a U.S. federal district court, the administrative law judge shall issue an Order setting forth the discovery schedule, the hearing date, and the location of the hearing.

The proceeding will be conducted in accordance with the Consolidated HUD Hearing Procedures for Civil Rights Matters set forth at 24 C.F.R. Part 180.

A. Advantages of Administrative Proceeding

¹ In addition to HUD's administrative law judges, administrative law judges at the United States Environmental Protection Agency ("EPA") are authorized to hear cases pending before HUD pursuant to an interagency agreement. Prior to the expiration of the 20-day election period in this case, you may receive notice that the case has been assigned to an EPA judge. This does not affect your ability to elect to proceed in federal court or the procedures described in this Notice.

1. Speed

The administrative hearing process was created by Congress to provide for a quick and inexpensive way to resolve housing discrimination charges. 42 U.S.C. § 3612(d) and (g). The time from the issuance of the Charge until the issuance of the administrative law judge's decision is about six months. In contrast, because of the large number of criminal cases in district courts, which, under the Speedy Trial Act, take precedence over all other cases, it is not uncommon for civil litigation such as fair housing cases to take on average at least two years to be litigated in district court.

2. Free HUD Counsel

If this case is tried in a United States government administrative proceeding, an attorney from the United States Department of Housing and Urban Development will prosecute the case on behalf of the aggrieved person at no charge. Providing the opportunity to have a United States Department of Housing and Urban Development lawyer prosecute the case was intended by Congress to give aggrieved persons expert advice from lawyers representing the Department that is in charge of implementing the Fair Housing Act.

3. Remedy

The independent United States government administrative law judge may order injunctive and other equitable relief and monetary relief for actual damages (including damages caused by humiliation and/or emotional distress) and may also impose civil penalties payable to the government.

B. Advantages of Judicial Proceeding

1. Jury Trial

If this case proceeds to a district court, any party may choose to have the case decided by a jury.

2. Free Department of Justice Counsel

If the case proceeds to a district court, an attorney from the United States Department of Justice will prosecute the case at no charge.

3. Remedy

The district court may order injunctive and other equitable relief and monetary relief for actual damages (including damages caused by humiliation and/or emotional distress) and punitive damages.

C. Procedure for Making an Election

If you want to have your case tried in district court, an election must be filed with the Docket Clerk, at the following address, **no later than the 20th day following your receipt of the enclosed Charge of Discrimination.** (42 U.S.C. § 3612(a); 24 C.F.R. § 180.410(b)(2)). Documents are not filed until received by the Docket Clerk. Filing may be by first class mail, delivery, facsimile transmission or electronic means (email) at:

Regular Mail Address

Docket Clerk
Office of Administrative Law Judges
U.S. Department of Housing and Urban Development
451 7th St., SW, Rm B-133
Washington DC 20410

Overnight Courier

Docket Clerk
Office of Administrative Law Judges
U.S. Department of Housing and Urban Development
409 3rd Street, SW, Suite 201
Washington, DC 20024
Telephone Number: (202) 254-0000

Facsimile

(202) 619-7304
Attn: Docket Clerk

Email

alj.alj@hud.gov

Inter-Agency mail

Office of Administrative Law Judges/OHA
Room B-133

You must also give written notice of your election to go to federal district court to the following individuals:

COMPLAINANT:

Gulf Coast Fair Housing Center
2218 24th Avenue
Gulfport, Mississippi 39501

RESPONDENTS:

Deanna Lynn Cooley
6823 Mescalero Drive
Biloxi, Mississippi 39532

Precious Properties, Inc.
 Deanna Lynn Cooley, Registered Agent
 6823 Mescalero Drive
 Biloxi, Mississippi 39532

Michael Law
 7321 Big Point Road
 Moss Point, Mississippi 39562

Penny Pincher, Inc.,
 15029 Dedeaux Road
 Gulfport, Mississippi 39503

RESPONDENT'S REPRESENTATIVES:

Ray Price
 Ray T. Price, PA
 612 Main St Ste 210
 Hattiesburg, Mississippi 39402

Jeff White
 Boyce Holleman and Associates
 1720 23rd Avenue/Boyce Holleman Boulevard
 Gulfport, Mississippi 39501

OFFICIALS:

Samantha A. Holloway
 Trial Attorney, Fair Housing Enforcement
 Office of General Counsel
 U.S. Department of Housing and Urban Development
 451 7th St., SW, Room 10270
 Washington, DC 20410

Estelle D. Franklin
 Associate General Counsel for Fair Housing
 Office of General Counsel
 U.S. Department of Housing and Urban Development
 451 Seventh St., SW, Room 10272
 Washington, DC 20410

Sara L. Pratt
 Deputy Assistant Secretary for Enforcement & Programs
 Office of Fair Housing and Equal Opportunity

U.S. Department of Housing and Urban Development
451 Seventh St., SW, Room 5204
Washington, DC 20410

If a timely election to proceed in federal district court is made, the administrative proceeding will be dismissed.

II. Procedural Rights and Responsibilities for Administrative Proceeding

A. Answer

If you are the respondent in the administrative proceeding, you may file a written answer to the attached Charge by **November 8, 2010** (within 30 days of service of the Charge; 24 C.F.R. § 180.410(b)(4)(ii); 24 C.F.R. § 180.405(d)). Documents are not filed until received by the Docket Clerk. Filing may be by first class mail, overnight courier, facsimile transmission or electronic means (email) at:

Regular Mail Address

Docket Clerk
Office of Administrative Law Judges
U.S. Department of Housing and Urban Development
451 7th St., SW, Rm B-133
Washington DC 20410

Overnight Courier

Docket Clerk
Office of Administrative Law Judges
U.S. Department of Housing and Urban Development
409 3rd Street, SW, Suite 201
Washington, DC 20024
Telephone Number: (202) 254-0000

Facsimile

(202) 619-7304
Attn: Docket Clerk

Email

alj.alj@hud.gov

Any such answer shall include:

1. A statement that the respondent admits, denies, or does not have and is unable to obtain sufficient information to admit or deny, each allegation made in the Charge. A statement of lack of information shall have the effect of a denial. Any allegation that is not denied shall be deemed admitted.

2. A statement of each affirmative defense and a statement of the facts supporting each affirmative defense.

NOTE: If you decline to file an answer by the date specified above, it shall be deemed an admission of all matters of fact recited in the Charge of Discrimination and may result in the entry of a default decision. (24 C.F.R. § 180.420(b)).

B. Request for Intervention

If you are the aggrieved person on whose behalf the attached Charge was filed, you may participate as a party in the administrative proceeding by filing a timely request for intervention. In order for requests for intervention to be timely, they must be filed with the Docket Clerk by November 26, 2010 (within 50 days after the filing of the Charge; 24 C.F.R. § 180.310(b)).

C. Discovery

All discovery for the administrative proceeding will be completed 15 days before the date scheduled for the hearing (see Section I, above) or at such time as the administrative law judge shall direct (24 C.F.R. § 180.500(a)). If no person elects to have the claims asserted in this Charge decided in a civil action in district court, a lawyer from the United States Department of Housing and Urban Development will contact you or your representative to discuss scheduling the discovery of information relevant to transactions and events related to the enclosed Charge.

In order to meet your discovery obligations (for either an administrative proceeding or a proceeding in federal court), you should maintain in their current form any and all records, documents, files, or tapes that could pertain to this matter. Discovery of electronic information is treated on equal footing with paper documents. Electronically stored information is defined expansively to include any type of information that is stored on a computer or other electronic medium, including, but not limited to: email messages and attachments; other electronic communications; word processing documents; spreadsheets; tables; data; photographs; sound recordings, and telephone logs. These materials may not be destroyed or altered pending the outcome of this litigation. The destruction or alteration of any evidence concerning this matter could result in sanctions.

To meet your discovery obligations, you should take all reasonable steps to:

- Prevent deleting or discarding any information, including electronic information, related to the matters described in the enclosed Charge of Discrimination.
- Assess how information, including electronic information, is stored, how it can be produced, and what evidence is relevant to the case.

III. Restrictions on Respondent's Sale or Rental of Property

If at any time following the service of the attached Charge, the respondent intends to enter into a contract, sale, encumbrance, or lease with any person regarding the property that is the subject of the Charge, the respondent must provide a copy of the Charge to such person before the respondent and that person enter into the contract, sale, encumbrance or lease. 24 C.F.R. § 180.410(b)(5).

If there is anything in this notice that you do not understand or if you have additional questions, contact: Timothy C. Lambert, Deputy Assistant General Counsel for Fair Housing Enforcement, at 202-402-5383.

Enclosures: Charge of Discrimination
Determination of Reasonable Cause

**UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES**

The Secretary, United States)	
Department of Housing and Urban)	
Development, on behalf of the Gulf Coast Fair)	
Housing Center,)	
)	
Charging Party,)	
)	
v.)	HUD ALJ No.
)	FHEO No. 04-08-0810-8
Deanna Lynn Cooley, Michael Law,)	
Precious Properties, LLC, and Penny Pincher, Inc.,)	
Respondents.)	
_____)	

CHARGE OF DISCRIMINATION

I. JURISDICTION

On January 22, 2009, Complainant Gulf Coast Fair Housing Center (“GCFHC”) filed a verified complaint with the United States Department of Housing and Urban Development (“HUD” or “Charging Party”) alleging that Respondents Deanna Lynn Cooley (“Cooley”) refused to rent and published discriminatory advertisements in violation of subsections 804(a) and 804(c) of the Fair Housing Act (“Act”), 42 U.S.C. § 3604(a),(c). GCFHC amended the complaint on March 17, 2009 to add Penny Pincher, Inc. (“Penny Pincher”) as a respondent, on December 10, 2009 to add Precious Properties, LLC (“Precious Properties”) as a respondent, and on June 28, 2010 to add Michael Law (“Law”) as a respondent.

The Act authorizes the issuance of a Charge of Discrimination on behalf of an aggrieved person following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur. 42 U.S.C. § 3610(g)(1)-(2). The Secretary of HUD has delegated to the Assistant Secretary for Fair Housing and Equal Opportunity the authority to make such a determination and to the General Counsel the authority to issue a Charge of Discrimination. 74 Fed. Reg. 62801, 62802 (Dec. 1, 2009). The General Counsel has redelegated that authority to the Associate General Counsel for Fair Housing. 74 Fed. Reg. 62803, 62804 (Dec. 1, 2009).

The Director of the Office of Fair Housing and Equal Opportunity for Region IV, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that a discriminatory housing practice occurred in this case and has authorized the issuance of this Charge of Discrimination.

II. THE LEGAL AND FACTUAL BASIS FOR THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned complaint and the Determination of Reasonable Cause, Respondents are charged with violating 42 U.S.C. § 3604(a) and 42 U.S.C. § 3604(c) as follows:

A. LEGAL AUTHORITY

1. It is unlawful to refuse to rent a dwelling to a person who has made a bona fide offer, or to refuse to negotiate with a person for the rental of a dwelling, or otherwise make housing unavailable because of familial status. 42 U.S.C. § 3604(a); 24 C.F.R. § 100.60(a).
2. It is unlawful to make, print, or publish, or cause to be made, printed or published any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination. 42 U.S.C. § 3604(c); 24 C.F.R. § 100.75(a)-(c).
3. "Familial status" is defined to include one or more individuals under the age of eighteen years being domiciled with a parent or person having legal custody of such individual(s). 42 U.S.C. § 3602(k); 24 C.F.R. § 100.20.

B. PARTIES AND SUBJECT PROPERTY

4. Complainant Gulf Coast Fair Housing Center, located at 2218 24th Avenue, Gulfport, Mississippi, is a non-profit organization that strives to promote fair housing along the Mississippi Gulf Coast. Complainant is dedicated to eliminating housing discrimination by furthering equal housing opportunities through education, outreach, advocacy, and enforcement of fair housing laws. Complainant is an "aggrieved person" within the meaning of the Act. 42 U.S.C. § 3602(i).
5. Respondent Precious Properties is a limited liability partnership.
6. At all times relevant to this Charge, Respondent Precious Properties owned the single family dwelling located at 6810 Mescalero Road, Biloxi, Mississippi 39532 ("subject property"). Pursuant to subsection 803(b)(1)(A)-(B) of the Act, Respondent Precious Properties is not exempt from liability under subsection 804(a) because it used Respondent Cooley as its agent and published an advertisement in violation of subsection 804(c).
7. Respondent Deanna Lynn Cooley serves as an agent and officer of Respondent Precious Properties.

8. Respondent Michael Law serves as an agent of Respondent Precious Properties.
9. Respondent Penny Pincher, located at 15029 Dedrux Road, Gulfport, Mississippi, is a newspaper corporation which produces a free weekly newspaper that distributes over 40,000 copies in several counties along the Mississippi Gulf Coast.

C. FACTUAL ALLEGATIONS

10. On or about January 25, 2008, GCFHC became aware of a discriminatory advertisement placed in Respondent Penny Pincher's newspaper that stated the following: "FOR RENT: D'Iberville, 2 bedroom, great neighborhood, no children, \$850 deposit, \$850 rent, 228-217-5210."
11. Respondents Cooley and Law served as Respondent Precious Properties' agent to secure tenants for the subject property.
12. Respondent Cooley admits to submitting the advertisement to Respondent Penny Pincher for publication in its newspaper.
13. In response to the advertisement, GCFHC coordinated testing of the subject property for discrimination on the basis of familial status. On January 31, 2008, a female tester employed by GCFHC called the telephone number listed in the advertisement. Respondent Law answered the call and provided the tester with the subject property's address, information about the property, and set up a time when the tester could view the property.
14. On or about 12:40 p.m. on January 31, 2008, the tester met Respondents Cooley and Law at the subject property. The tester had the following conversation, in relevant part, with Respondents Law and Cooley:

Respondent Law: "Is [the rental] just [for] you or do you have a boyfriend or husband?"

Tester: "It's me and my husband."

Respondent Law: "Ok. You know, we have pools, that's the reason we've asked for no kids."

Tester: "Oh, ok."

Respondent Law: "We've turned a lot of people down but you know...it's just such a liability."

Respondent Cooley: "And with the porch, that could be dangerous to kids too."

Respondent Cooley: "We're getting a new pool liner too, so if ya'll don't have kids you're welcome to it."

Respondents Law and Cooley proceeded to explain the terms of the rental, its availability, and provided the tester with a rental application.

15. By refusing to rent the subject property to families with children, Respondents Cooley and Law violated 42 U.S.C. § 3604(a). Respondent Precious Properties is vicariously liable for the discriminatory acts of Respondents Cooley and Law.
16. By stating to Complainant GCFHC's tester that the subject property was not suitable for children, Respondents Cooley and Law stated a discriminatory limitation based on familial status in violation of 42 U.S.C. § 3604(c). Respondent Precious Properties is vicariously liable for the discriminatory acts of Respondents Cooley and Law.
17. By submitting the advertisement be published, Respondent Cooley made, published, or caused to be published a discriminatory advertisement based on familial status in violation of 42 U.S.C. § 3604(c). Respondent Precious Properties is vicariously liable for the discriminatory acts of Respondent Cooley.
18. By publishing the advertisement, which indicated "no children," Respondent Penny Pincher published a discriminatory advertisement based on familial status in violation of 42 U.S.C. § 3604(c).
19. Respondents Cooley, Law, Precious Properties, and Penny Pincher's actions injured Complainant by frustrating Complainant's mission to ensure equal access to housing and housing services free from discrimination. Due to the Respondents' discriminatory actions, the Complainant has had to divert resources away from its other services, including but not limited to education, outreach, and referrals.

III. CONCLUSION

WHEREFORE, the Secretary of the U.S. Department of Housing and Urban Development, through the Office of General Counsel, and pursuant to 42 U.S.C. § 3610(g)(2)(A) of the Act, hereby charges Respondents Deanna Lynn Cooley, Michael Law, and Precious Properties, LLC with engaging in discriminatory housing practices in violation of 42 U.S.C. § 3604(a) and Respondents Deanna Lynn Cooley, Michael Law, Precious Properties, LLC, and Penny Pincher, Inc. with engaging in discriminatory housing practices in violation of 42 U.S.C. § 3604(c), and prays that an order be issued that:

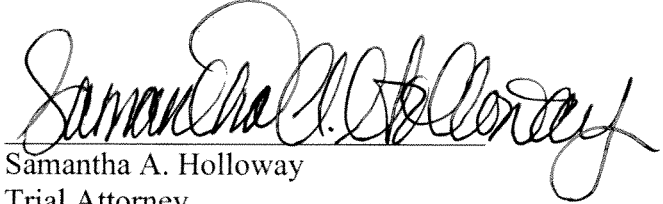
1. Declares that the discriminatory housing practices of Respondents, as set forth above, violate the Act;

2. Enjoins Respondents, their agents, employees and successors, and all other persons in active concert or participation with them from discriminating against any person because of race, color, sex, national origin, familial status, religion, and disability in any aspect of the rental, sale, occupancy, use or enjoyment of a dwelling;
3. Awards such monetary damages as will fully compensate Complainant Gulf Coast Fair Housing Center for its economic loss due to its diversion of resources and frustration of its mission caused by Respondents' discriminatory conduct in violation of the Act;
4. Assess a civil penalty against each Respondent for each violation of the Act pursuant to 42 U.S.C. § 3612 (g)(3) and 24 C.F.R. § 180.671(a)(1); and
5. Awards any additional relief as may be appropriate under 42 U.S.C. § 3612 (g)(3).

Respectfully submitted,



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Dated: October 16, 2010

MIXED DETERMINATION OF REASONABLE CAUSE
AND NO REASONABLE CAUSE

CASE NAME: Gulf Coast Fair Housing Center v. Deanna Lynn Cooley, et al.

CASE NUMBER: 04-08-0810-8

I. JURISDICTION

Gulf Coast Fair Housing Center ("GCFHC") filed a verified complaint with HUD on or about January 22, 2009 alleging that Respondent Deanna Lynn Cooley ("Cooley") engaged in discriminatory acts in violation of the Fair Housing Act ("Act"), 42 U.S.C. § 3601 *et seq.* GCFHC alleged that Respondent Cooley refused to rent and made or published discriminatory advertising based on familial status. The most recent act is alleged to have occurred on January 31, 2008. If proven, the allegations would constitute violations of subsections 804(a) and 804(c) of the Act. The subject property is located at 6810 Mescalero Drive, Biloxi, Mississippi ("Subject Property"). The subject property is not exempt under the Act.

The complaint was amended on March 17, 2009 to add Penny Pincher, Inc. ("Penny Pincher") as a respondent. The complaint was further amended on May 11, 2009 to add PSL, Inc. ("PSL") as a respondent. The complaint was amended on December 10, 2009 to add the following respondents: Michael Jenner ("Jenner"), Precious Properties, LLC ("Precious Properties"), Edward Little, Sierra Sykes ("Sykes"), Emily Herrington ("Herrington"), Kimberly Riley ("Riley"), and Heather Little. The complaint was also amended on June 28, 2010 to remove Respondent Jenner and add Michael Law ("Law") as a respondent. Respondents do not receive federal funding.

II. COMPLAINANT'S ALLEGATIONS

GCFHC is a non-profit organization that works to promote fair housing along the Mississippi Gulf Coast. On or about January 25, 2009, GCFHC became aware of an advertisement for rental housing published in Respondent Penny Pincher's newspaper that specified "no children." Based on the advertisement, GCFHC conducted testing. GCFHC states that Respondents Cooley and Law informed GCFHC's tester that no children were allowed to occupy the subject property. GCFHC alleges that the advertisement and the statements made by Respondents Cooley and Law violated the Act.

As a result of Respondents' discriminatory policies and practices, GCFHC alleges that it has been damaged by having to divert scarce resources away from its other activities and services to identify and counteract Respondents' discriminatory policies and practices. Additionally, GCFHC alleges that Respondents have frustrated its mission by requiring it to devote resources to programs and activities to counteract Respondents' discriminatory practices and policies, rather than conduct other mission activities.

III. RESPONDENTS' DEFENSES

Respondent Penny Pincher does not deny that the advertisement contained in GCFHC's complaint was published in the Penny Pincher newspaper. Penny Pincher denies, however, publishing discriminatory advertisements in violation of the Act. Respondents Riley, Herrington, Heather Little and Edward Little deny soliciting, accepting or reviewing the advertisement.

Respondent Sykes was not served with a copy of the Complaint and the amended complaints and therefore did not provide an answer to HUD.

Respondent Cooley is an officer and agent of Respondents PSL and Precious Properties. Respondent Cooley admits to publishing the advertisement in Respondent Penny Pincher's newspaper but denies discriminating against families with children. Respondent Cooley advises that she specified "no children" in the advertisement to protect children from the pool, porch, and debris located at the subject property. Respondent Law denies submitting the advertisement to Respondent Penny Pincher and discriminating against families with children. Respondent Law also denies that he is an agent of Respondent Precious Properties because he does not have the authority to rent the subject property.

IV. FINDINGS & CONCLUSIONS

A. Parties

1. GCFHC is a private non-profit organization established in 2003. Complainant is dedicated to eliminating housing discrimination and furthering equal housing opportunities through education, outreach, advocacy, and enforcement of fair housing laws.
2. Respondent Penny Pincher is a newspaper corporation wholly owned by Wanda Gautreaux. Donna Gautreaux Chiasson is its Registered Agent. The Penny Pincher newspaper is a weekly free publication that distributes 40,000 copies in several counties along the Mississippi Gulf Coast.
3. Respondent Edward Little is an independent contractor who solicits advertisements for Respondent Penny Pincher to be published in the Penny Pincher newspaper.
4. Respondent Sykes is a former employee of Respondent Penny Pincher.
5. Respondent Herrington is a graphic artist and designer employed by Respondent Penny Pincher.
6. Respondent Heather Little is an advertising representative employed by Respondent Penny Pincher.
7. Respondent Riley is an advertising representative employed by Respondent Penny Pincher.
8. Respondent PSL is a corporation located in Biloxi, Mississippi. Deanna Cooley is its

officer and agent.

9. Respondent Precious Properties is a limited liability partnership that owns the subject property. Deanna Cooley is its officer and agent.
10. At all times relevant to this Investigation, Respondent Precious Properties owned the single family dwelling located at 6810 Mescalero Road, Biloxi, Mississippi 39532. ("Subject Property"). In addition to the subject property, Respondent Precious Properties owns another dwelling located at 6828 Mescalero Road, Biloxi, Mississippi 39532.
11. Respondent Cooley is a licensed real estate agent and secures tenants for Respondent Precious Properties.
12. Respondent Law assists Respondent Cooley in renting the subject property.

A. Summary of Facts

12. On or about January 25, 2008, GCFHC became aware of a discriminatory advertisement placed in Respondent Penny Pincher's newspaper that stated: "FOR RENT: D'Iberville, 2 bedroom, great neighborhood, no children, \$850 deposit, \$850 rent, 228-217-5210."
13. Respondent Cooley admits to submitting the advertisement to Respondent Penny Pincher for publication in its newspaper.
14. In response to the advertisement, GCFHC coordinated testing for differential treatment on the basis of familial status. On January 31, 2008, a female tester employed by GCFHC called the telephone number in the advertisement. Respondent Law answered the call and provided the tester with the subject property's address.
15. On or about 12:40 p.m. on January 31, 2008, the tester met Respondents Cooley and Law at the subject property. The tester had the following conversation with Respondents Law and Cooley:

Respondent Law: "Is it just you or do you have a boyfriend or husband?"

Tester: "It's me and my husband."

Respondent Law: "Ok. You know, we have pools, that's the reason we've asked for no kids."

Tester: "Oh, ok."

Respondent Law: "We've turned a lot of people down but you know...it's just such a liability."

Respondent Cooley: "And with the porch, that could be dangerous to kids too."

Respondent Cooley: "We're getting a new pool liner too, so if ya'll don't have kids you're welcome to it."

The tester asked for a rental application and Respondent Cooley gave it to her.

16. On or about February 25, 2008, another tester called the telephone number listed in the advertisement to inquire about the subject property. Respondent Law answered and advised that the subject property had already been rented.
17. The investigation established that Respondent Penny Pincher published the advertisement.
18. The investigation failed to establish that Respondents Edward Little, Sykes, Riley, Herrington, or Heather Little solicited, accepted, or reviewed the advertisement.
19. The investigation established that Respondent Cooley served as Respondent Precious Properties' agent in securing tenants to rent the subject property.
20. The investigation established that Respondent Law assisted Respondent Cooley in securing tenants to rent the subject property.

B. Subsection 804(a) Refusal to Rent or Otherwise Make a Dwelling Unavailable Because of Familial Status

REASONABLE CAUSE as to Respondents Cooley, Law, and Precious Properties.

Subsection 804(a) makes it unlawful to refuse to rent a dwelling to a person who has made a bona fide offer, or to refuse to negotiate with a person for the rental of a dwelling, or otherwise make housing unavailable because of familial status. Under the Act, a housing provider is exempt from liability under Section 804(a) if the housing provider owns less than three single family dwellings, rents the subject property without the assistance of an agent, and does not publish an advertisement in violation of subsection 804(c). *See* 42 U.S.C. § 3603(b)(1). The term "agent" includes any person authorized to perform an action on behalf of another person regarding any matter related to the rental of dwellings, including offers or solicitations. *See* 24 C.F.R. § 100.20(b).

The investigation established that Respondent Precious Properties owns two single family dwellings. The investigation also established that Respondent Cooley admitted to submitting the advertisement to Respondent Penny Pincher to be published in its newspaper. Respondent Law answered telephone calls from prospective tenants and assisted Respondent Cooley in showing the subject property. Respondents Cooley and Law acted as agents of Respondent Precious Properties to rent the subject property. Respondent Cooley, as an agent of Respondent Precious Properties, published a discriminatory advertisement to rent the subject property in violation of subsection 804(c). Accordingly, Respondent Precious Properties is not exempt from liability pursuant to subsection 803(b)(1)(A)-(B) of the Act.

The investigation also showed that Respondents Cooley and Law told GCFHC's tester that they would not rent the subject property to a family with children. Respondent Law

advised that children were not allowed to occupy the subject property because it contained a pool filled with water and debris. Respondent Cooley also told the tester that she can use the pool because she did not have children. Respondent Cooley also stated that the porch was too dangerous for children. Respondent Law further advised that he and Respondent Cooley refused to rent the subject property to other prospective tenants because they had children. Courts have held that safety judgments are for informed parents to make, not housing providers. *See United States v. Grishman*, 818 F.Supp. 21, 23 (D. Me. 1993); *HUD v. Edelstein*, 1991 WL 442784 (H.U.D.A.L.J.). As a result, Respondents Cooley's and Law's actions violated subsection 804(a) of the Act as alleged. Respondent Precious Properties is vicariously liable for Respondents Cooley's and Law's discriminatory acts.

NO REASONABLE CAUSE as to Respondents Penny Pincher, PSL, Edward Little, Sykes, Herrington, Riley, and Heather Little.

The investigation failed to establish that Respondent PSL or Respondent Penny Pincher were involved in the alleged violation of subsection 804(a) of the Act. In addition, the investigation failed to establish that Respondents Edward Little, Sykes, Herrington, Riley, and Heather Little denied housing to GCFHC's tester. Thus, there is no reasonable cause to believe that Respondents PSL, Penny Pincher, Edward Little, Sykes, Herrington, Riley, and Heather Little, violated the Act as alleged.

C. Subsection 804(c) Discriminatory Notice, Statement, or Advertisement Based on Familial Status

REASONABLE CAUSE as to Respondents Cooley, Law, Precious Properties, and Penny Pincher.

Subsection 804(c) of the Act makes it unlawful "to make, print, or publish, or cause to be made, printed or published any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preferences, limitation, or discrimination based . . . familial status . . . or an intention to make any such preference, limitation or discrimination." To determine whether an advertisement indicates a discriminatory preference, an "ordinary reader" standard is most commonly used. *See Jancik v. HUD*, 44 F.3d 553, 556 (7th Cir. 1995); *Ragin v. New York Times Co.*, 923 F.2d 995, 999 (2d Cir. 1991). Under this standard, a respondent is liable under the Act if the advertisement would suggest to an ordinary reader that families with children are not welcome or are discouraged from applying. *See White v. HUD*, 475 F.3d 898, 905-06 (9th Cir. 2007); *Jancik*, 44 F.3d at 556. Courts have determined that the ordinary reader is "neither the most suspicious nor the most insensitive of our citizenry." *Ragin*, 923 F.2d at 1002.

The investigation established that Respondent Cooley, as an agent of Respondent Precious Properties, caused the advertisement to be published in Respondent Penny Pincher's newspaper. The advertisement published in Respondent Penny Pincher's newspaper stated "no children." An ordinary reader could have reasonably inferred that children were not permitted to occupy the subject property. Moreover, Respondents Cooley and Law made discriminatory statements to GCFHC's tester. Respondent Cooley told the tester that children were not allowed because of the porch, and Respondent Law told the tester that children were not allowed because of the pool and debris. Respondent

Law further advised that he and Respondent Cooley refused to rent the subject property to other prospective tenants because they had children. Accordingly, there is reasonable cause to believe that Respondents Cooley and Penny Pincher violated subsection 804(c) of the Act as alleged. Respondent Precious Properties is vicariously liable for Respondents Cooley's discriminatory acts.

NO REASONABLE CAUSE as to Respondents PSL, Edward Little, Sykes, Herrington, Riley, and Heather Little.

The investigation failed to establish that Respondent PSL was involved in the making or publishing of the advertisement. Further, the investigation failed to establish that Respondents Edward Little, Sykes, Herrington, Riley, and Heather Little solicited, accepted, or reviewed the advertisement. Thus, there is no reasonable cause to believe that Respondents PSL, Law, Edward Little, Sykes, Herrington, Riley, and Heather Little, violated the Act as alleged.

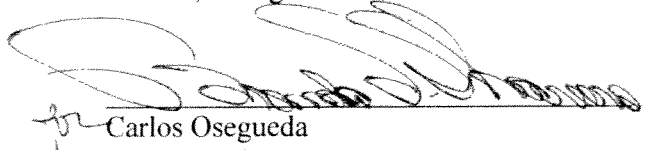
V. ADDITIONAL INFORMATION

Notwithstanding this determination by HUD, the Fair Housing Act provides that the complainant may file a civil action in an appropriate federal district court or state court within two years after the occurrence or termination of the alleged discriminatory housing practice. The computation of this two-year period does not include the time during which this administrative proceeding was pending. In addition, upon the application of either party to such civil action, the court may appoint an attorney, or may authorize the commencement of or continuation of the civil action without the payment of fees, costs, or security, if the court determines that such party is financially unable to bear the costs of the lawsuit.

The Department's regulations implementing the Act require that a dismissal, if any, be publicly disclosed, unless the respondent requests that no such release be made. Such request must be made by the respondent within thirty (30) days of receipt of the determination to the Field Office of Fair Housing and Equal Opportunity at the address contained in the enclosed summary. Notwithstanding such request by the respondent, the fact of a dismissal, including the names of all parties, is public information and is available upon request.

A copy of the final investigative report can be obtained from:

US Department of Housing and Urban Development
Sue Schofield, Program Assistant
Office of Fair Housing and Equal Opportunity, Region IV
Five Points Plaza, 40 Marietta Street
Atlanta, Georgia 30303-2806.


Carlos Osegueda
Regional Director
Office of Fair Housing and Equal Opportunity

10-6-10
Date

CERTIFICATE OF SERVICE

I HEREBY certify that on this 6th day of October, 2010, the foregoing *Important Notice, Charge of Discrimination, and Determination of Reasonable Cause*, in FHEO Case Number 04-08-0810-8, were served on the following parties in the manner indicated:

Email

alj.alj@hud.gov

Inter-Agency mail

Office of Administrative Law Judges/OHA
Room B-133

Sara L. Pratt
Deputy Assistant Secretary for Enforcement and Programs
Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
451 Seventh Street, SW, Room 5204
Washington, DC 20410

Estelle D. Franklin
Associate General Counsel for Fair Housing
Office of General Counsel
Department of Housing and Urban Development
451 Seventh Street, SW, Room 10272
Washington, DC 20410

United Parcel Service – Overnight Delivery, Signature Required

Gulf Coast Fair Housing Center
2218 24th Avenue
Gulfport, Mississippi 39501

Deanna Lynn Cooley
6823 Mescalero Drive
Biloxi, Mississippi 39532

Precious Properties, Inc.
Deanna Lynn Cooley, Registered Agent
6823 Mescalero Drive
Biloxi, Mississippi 39532

Michael Law
7321 Big Point Road

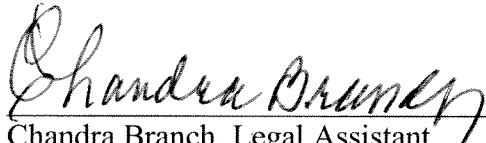
Moss Point, Mississippi 39562

Penny Pincher, Inc.,
15029 Dedeaux Road
Gulfport, Mississippi 39503

Respondent's Representatives:

Ray Price
Ray T. Price, PA
612 Main St Ste 210
Hattiesburg, Mississippi 39402

Jeff White
Boyce Holleman and Associates
1720 23rd Avenue/Boyce Holleman Boulevard
Gulfport, Mississippi 39501

A handwritten signature in cursive script, reading "Chandra Branch", is written over a horizontal line.

Chandra Branch, Legal Assistant
United States Department of
Housing and Urban Development
Office of General Counsel
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Telephone: 202-402-5488
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